

116TH CONGRESS  
2D SESSION

# S. 3215

To establish the obligations of certain large business entities in the United States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2020

Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To establish the obligations of certain large business entities in the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Accountable Cap-  
5 italism Act”.

**6 SEC. 2. DEFINITIONS.**

7       In this Act:

8           (1) COVERED EMPLOYEE.—The term “covered  
9 employee”—

10           (A) means—

- 1                             (i) an individual who is—  
2                                 (I) an employee (including an ap-  
3                                 plicant), as defined in section 701 of  
4                                 the Civil Rights Act of 1964 (42  
5                                 U.S.C. 2000e);  
6                                 (II) a State employee (including  
7                                 an applicant), as described in section  
8                                 304(a) of the Government Employee  
9                                 Rights Act of 1991 (42 U.S.C.  
10                                 2000e-16c(a));  
11                                 (III) a covered employee (includ-  
12                                 ing an applicant), as defined in sec-  
13                                 tion 101 of the Congressional Ac-  
14                                 countability Act of 1995 (2 U.S.C.  
15                                 1301);  
16                                 (IV) a covered employee (includ-  
17                                 ing an applicant), as defined in sec-  
18                                 tion 411(c) of title 3, United States  
19                                 Code;  
20                                 (V) an employee, as defined in  
21                                 section 11 of the Age Discrimination  
22                                 in Employment Act of 1967 (29  
23                                 U.S.C. 630);  
24                                 (VI) an employee, as defined in  
25                                 section 101 of the Americans with

1    Disabilities Act of 1990 (42 U.S.C.  
2    12111);  
3    (VII) an employee, as described  
4    in section 501(b) of the Rehabilitation  
5    Act of 1973 (29 U.S.C. 791(b));  
6    (VIII) an employee, as defined in  
7    section 3 of the Fair Labor Standards  
8    Act of 1938 (29 U.S.C. 203);  
9    (IX) an employee or applicant to  
10    which section 717(a) of the Civil  
11    Rights Act of 1964 (42 U.S.C.  
12    2000e-16(a)) applies; or  
13    (X) a person (other than an em-  
14    ployer) to whom subsections (a) and  
15    (b) of section 4311 of title 38, United  
16    States Code, apply; and  
17    (ii) an individual who is engaged by,  
18    or applies for or otherwise seeks a position  
19    with, a covered employer or entity, whether  
20    or not the individual receives compensa-  
21    tion, academic credit, or other remunera-  
22    tion from the covered employer or entity,  
23    as—  
24    (I) an independent contractor; or

(II) an intern, fellow, volunteer,  
or trainee; and

(B) does not include a management official, as defined in section 7103(a)(11) of title 5, United States Code.

(A) an employer, as defined in section 701  
of the Civil Rights Act of 1964;

16 (C) an employing office, as defined in sec-  
17 tion 101 of the Congressional Accountability  
18 Act of 1995;

(E) an employer, as defined in section 11  
of the Age Discrimination in Employment Act  
of 1967;

(F) an employer, as defined in section 101  
of the Americans with Disabilities Act of 1990;

(G) an entity described in section 501(b) of the Rehabilitation Act of 1973 (29 U.S.C. 791(b));

(H) an employer, as defined in section 3 of  
the Fair Labor Standards Act of 1938;

(I) an entity to which section 717(a) of the Civil Rights Act of 1964 applies; or

(J) an employer to whom subsections (a) and (b) of section 4311 of title 38, United States Code, apply.

13 (4) LARGE ENTITY.—

20 (ii) engages in interstate commerce;

21 and

1                                     (B) AGGREGATION RULES.—All entities  
2                                     treated as a single employer under subsection  
3                                     (a) or (b) of section 52 of the Internal Revenue  
4                                     Code of 1986, or subsection (m) or (o) of sec-  
5                                     tion 414 of such Code, shall be treated as 1 en-  
6                                     tity for the purposes of subparagraph (A).

7                                     (5) OFFICE.—The term “Office” means the Of-  
8                                     fice of United States Corporations established under  
9                                     section 3.

10                                    (6) OFFICER.—The term “officer” means, with  
11                                     respect to a United States corporation—

12                                     (A) the president of the United States cor-  
13                                     poration;

14                                     (B) the principal operating officer of the  
15                                     United States corporation;

16                                     (C) the principal accounting officer of the  
17                                     United States corporation or, if the United  
18                                     States corporation does not have such an ac-  
19                                     counting officer, the controller of the United  
20                                     States corporation; and

21                                     (D) any vice president in charge of a prin-  
22                                     cipal business unit, division, or function of the  
23                                     United States corporation.

24                                     (7) STATE.—The term “State” means—

- 1                             (A) each of the several States of the  
2                             United States;  
3                             (B) the District of Columbia;  
4                             (C) the Commonwealth of Puerto Rico;  
5                             (D) Guam;  
6                             (E) the United States Virgin Islands;  
7                             (F) American Samoa; and  
8                             (G) the Commonwealth of the Northern  
9                             Mariana Islands.

10                         (8) UNITED STATES CORPORATION.—The term  
11                         “United States corporation” means a large entity  
12                         with respect to which the Office has granted a char-  
13                         ter under section 3.

14 **SEC. 3. OFFICE OF UNITED STATES CORPORATIONS.**

15                         (a) ESTABLISHMENT.—There is established within  
16                         the Department of Commerce the Office of United States  
17                         Corporations.

18                         (b) DIRECTOR.—

19                         (1) ESTABLISHMENT OF POSITION.—There is  
20                         established the position of Director of the Office,  
21                         who shall be the head of the Office.

22                         (2) APPOINTMENT; TERM.—

23                         (A) APPOINTMENT.—Except as provided in  
24                         subparagraph (E), the Director shall be ap-  
25                         pointed by the President, by and with the ad-

1 vice and consent of the Senate, from among in-  
2 dividuals who are citizens of the United States.

3 (B) TERM.—The Director shall be ap-  
4 pointed for a term of 4 years, unless removed  
5 before the end of that term by the President.

6 (C) VACANCY.—A vacancy in the position  
7 of Director that occurs before the expiration of  
8 the term for which a Director was appointed  
9 shall be filled in the manner established under  
10 subparagraph (A), and the Director appointed  
11 to fill that vacancy shall be appointed only for  
12 the remainder of that term.

13 (D) SERVICE AFTER END OF TERM.—An  
14 individual may serve as the Director after the  
15 expiration of the term for which the individual  
16 was appointed until a successor has been ap-  
17 pointed.

18 (E) INITIAL DIRECTOR.—The Secretary of  
19 Commerce shall appoint an individual to serve  
20 as the Director until an individual is appointed  
21 to serve as the Director in accordance with sub-  
22 paragraph (A).

23 (c) DUTIES.—The Office shall—

24 (1) review and grant charter applications for  
25 large entities;

1                         (2) monitor whether large entities have ob-  
2                         tained a charter in accordance with this Act;

3                         (3) except as provided in paragraph (4)(B),  
4                         refer any violation of this Act to the appropriate  
5                         Federal agency for enforcement with respect to that  
6                         violation; and

7                         (4) when appropriate—

8                             (A) rescind the charters of United States  
9                         corporations under section 4(b);

10                         (B) revoke the charters of United States  
11                         corporations under sections 6(c)(2)(B)(ii),  
12                         8(c)(2), and 9; and

13                         (C) issue rules to prevent entities from  
14                         taking action to intentionally avoid qualifying  
15                         as large entities.

16                         (d) DISCLOSURE OF TAXPAYER IDENTITY INFORMA-  
17                         TION FOR USE BY OFFICE.—

18                         (1) IN GENERAL.—Section 6103(m) of the In-  
19                         ternal Revenue Code of 1986 is amended by adding  
20                         at the end the following:

21                         “(8) OFFICE OF UNITED STATES CORPORA-  
22                         TIONS.—Upon written request by the Director of the  
23                         Office of United States Corporations, the Secretary  
24                         shall disclose taxpayer identity information to offi-  
25                         cers and employees of the Office of United States

1      Corporations solely for purposes of identifying any  
2      taxpayer that satisfies the requirement under section  
3      2(2)(A)(iii) or 4(b) of the Accountable Capitalism  
4      Act for the most recent taxable year for which infor-  
5      mation is available.”.

6                    (2) EFFECTIVE DATE.—The amendment made  
7      by this subsection shall take effect on the date of en-  
8      actment of this Act.

9      **SEC. 4. REQUIREMENT FOR LARGE ENTITIES TO OBTAIN**  
10                    **CHARTERS.**

11                    (a) LARGE ENTITIES.—

12                    (1) IN GENERAL.—An entity that is organized  
13      as a corporation, body corporate, body politic, joint  
14      stock company, or limited liability company in a  
15      State shall obtain a charter from the Office as fol-  
16      lows:

17                    (A) If the entity is a large entity with re-  
18      spect to the most recently completed taxable  
19      year of the entity before the date of enactment  
20      of this Act, the entity shall obtain the charter  
21      not later than 2 years after the date of enact-  
22      ment of this Act.

23                    (B) If the entity is a large entity with re-  
24      spect to any taxable year of the entity that be-  
25      gins after the date of enactment of this Act, the

1           entity shall obtain the charter not later than 1  
2           year after the last day of that taxable year.

3           (2) FAILURE TO OBTAIN CHARTER.—An entity  
4           to which paragraph (1) applies and that fails to ob-  
5           tain a charter from the Office as required under  
6           that paragraph shall not be treated as a corporation,  
7           body corporate, body politic, joint-stock company, or  
8           limited liability company, as applicable, for the pur-  
9           poses of Federal law during the period beginning on  
10          the date on which the entity is required to obtain a  
11          charter under that paragraph and ending on the  
12          date on which the entity obtains the charter.

13          (b) RESCISSIONS.—

14           (1) IN GENERAL.—An entity that has obtained  
15          a charter as a United States corporation and, with  
16          respect to a subsequent taxable year of the entity,  
17          is not a large entity may file a petition with the Of-  
18          fice to rescind the charter of the United States cor-  
19          poration.

20           (2) DETERMINATION.—Not later than 180 days  
21          after the date on which the Office receives a petition  
22          that an entity files under paragraph (1), the Office  
23          shall grant the petition if the Office determines that  
24          the entity, with respect to the most recently com-  
25          pleted taxable year of the entity preceding the date

1       on which the petition was filed, was not a large enti-  
2       ty.

## **3 SEC. 5. RESPONSIBILITIES OF UNITED STATES CORPORATIONS.**

**5**       (a) DEFINITIONS.—In this section:

6                             (1) GENERAL PUBLIC BENEFIT.—The term  
7       “general public benefit” means a material positive  
8       impact on society resulting from the business and  
9       operations of a United States corporation, when  
10      taken as a whole.

18 (b) CHARTER REQUIREMENTS.—

1                             (A) identified in the charter of the United  
2                             States corporation; and

3                             (B) in addition to the purpose of the  
4                             United States corporation under the articles of  
5                             incorporation in the State in which the United  
6                             States corporation is incorporated, if applicable.

7                             (c) STANDARD OF CONDUCT FOR DIRECTORS AND  
8                             OFFICERS.—

9                             (1) CONSIDERATION OF INTERESTS.—In dis-  
10                          charging the duties of their respective positions, and  
11                          in considering the best interests of a United States  
12                          corporation, the board of directors, committees of  
13                          the board of directors, and individual directors of a  
14                          United States corporation—

15                          (A) shall manage or direct the business  
16                          and affairs of the United States corporation in  
17                          a manner that—

18                          (i) seeks to create a general public  
19                          benefit; and

20                          (ii) balances the pecuniary interests of  
21                          the shareholders of the United States cor-  
22                          poration with the best interests of persons  
23                          that are materially affected by the conduct  
24                          of the United States corporation; and

25                          (B) in carrying out subparagraph (A)—

1                                     (i) shall consider the effects of any ac-  
2                                     tion or inaction on—  
3   (I) the shareholders of the  
4                                     United States corporation;  
5   (II) the employees and workforce  
6                                     of—  
7   (aa) the United States cor-  
8                                     poration;  
9   (bb) the subsidiaries of the  
10                                     United States corporation; and  
11   (cc) the suppliers of the  
12                                     United States corporation;  
13   (III) the interests of customers  
14                                     and subsidiaries of the United States  
15                                     corporation as beneficiaries of the  
16                                     general public benefit purpose of the  
17                                     United States corporation;  
18   (IV) community and societal fac-  
19                                     tors, including those of each commu-  
20                                     nity in which offices or facilities of the  
21                                     United States corporation, subsidi-  
22                                     aries of the United States corporation,  
23                                     or suppliers of the United States cor-  
24                                     poration are located;

(V) the local and global environment;

(VI) the short-term and long-term interests of the United States corporation, including—

(aa) benefits that may accrue to the United States corporation from the long-term plans of the United States corporation; and

(bb) the possibility that those interests may be best served by the continued independence of the United States corporation; and

(VII) the ability of the United States corporation to accomplish the general public benefit purpose of the United States corporation;

(ii) may consider—

(I) other pertinent factors; or

(II) the interests of any other group that are identified in the articles of incorporation in the State in

1                         which the United States corporation is  
2                         incorporated, if applicable; and

3                         (3) shall not be required to give pri-  
4                         ority to a particular interest or factor de-  
5                         scribed in clause (i) or (ii) over any other  
6                         interest or factor.

7                         (2) STANDARD OF CONDUCT FOR OFFICERS.—

8                         Each officer of a United States corporation shall  
9                         balance and consider the interests and factors de-  
10                         scribed in paragraph (1)(B)(i) in the manner de-  
11                         scribed in paragraph (1)(B)(iii) if—

12                         (A) the officer has discretion to act with  
13                         respect to a matter; and

14                         (B) it reasonably appears to the officer  
15                         that the matter may have a material effect on  
16                         the creation by the United States corporation of  
17                         a general public benefit identified in the charter  
18                         of the United States corporation.

19                         (3) EXONERATION FROM PERSONAL LIABIL-  
20                         ITY.—Except as provided in the charter of a United  
21                         States corporation, neither a director nor an officer  
22                         of a United States corporation may be held person-  
23                         ally liable for monetary damages for—

24                         (A) any action or inaction in the course of  
25                         performing the duties of a director under para-

1 graph (1) or an officer under paragraph (2), as  
2 applicable, if the director or officer was not in-  
3 terested with respect to the action or inaction;  
4 or

5 (B) the failure of the United States cor-  
6 poration to pursue or create a general public  
7 benefit.

8 (4) LIMITATION ON STANDING.—Neither a di-  
9 rector nor an officer of a United States corporation  
10 shall have any duty to a person that is a beneficiary  
11 of the general public benefit purpose of the United  
12 States corporation because of the status of the per-  
13 son as such a beneficiary.

14 (5) BUSINESS JUDGMENTS.—A director or an  
15 officer of a United States corporation who makes a  
16 business judgment in good faith shall be deemed to  
17 have fulfilled the duty of the director under para-  
18 graph (1) or the officer under paragraph (2), as ap-  
19 plicable, if the director or officer—

20 (A) is not interested in the subject of the  
21 business judgment;

22 (B) is informed with respect to the subject  
23 of the business judgment to an extent that the  
24 director reasonably believes to be appropriate  
25 under the circumstances; and

**4 (d) RIGHT OF ACTION.—**

10                             (2) STANDING.—A proceeding to enforce the re-  
11                             quirements of this section may be commenced or  
12                             maintained only—

1           interests in an entity of which the United  
2           States corporation is a subsidiary at the  
3           time of the act or omission that is the sub-  
4           ject of the proceeding.

5           (3) RULE OF CONSTRUCTION REGARDING BEN-  
6           EFICIAL OWNERSHIP.—For the purposes of this sub-  
7           section, a person shall be construed to be the bene-  
8           ficial owner of shares or equity interests if the  
9           shares or equity interests are held in a voting trust  
10          or by a nominee on behalf of the person.

11          (e) APPLICATION.—

12          (1) RULE OF CONSTRUCTION REGARDING GEN-  
13          ERAL CORPORATE LAW.—Nothing in this section  
14          may be construed to affect any provision of law that  
15          is applicable to a corporation, body corporate, body  
16          politic, joint stock company, or limited liability com-  
17          pany, as applicable, that is not a United States cor-  
18          poration.

19          (2) APPLICABILITY OF OTHER LAWS.—

20           (A) STATE LAW.—Except as otherwise pro-  
21           vided in this section, the law of the State in  
22           which a United States corporation is organized  
23           shall apply with respect to the United States  
24           corporation.

1                             (B) FEDERAL LAW.—If any provision of  
2                             Federal law is inconsistent with the require-  
3                             ments of this section with respect to a United  
4                             States corporation, the requirements of this sec-  
5                             tion shall supersede that provision.

6                             (3) ORGANIC RECORDS.—A provision of the ar-  
7                             ticles of incorporation in the State in which a United  
8                             States corporation is incorporated, if applicable, or  
9                             in the bylaws of a United States corporation may  
10                          not limit, be inconsistent with, or supersede a provi-  
11                          sion of this section.

12 **SEC. 6. BOARD REPRESENTATION.**

13                             (a) RULEMAKING.—Not later than 1 year after the  
14                          date of enactment of this Act, the Securities and Ex-  
15                          change Commission, in consultation with the National  
16                          Labor Relations Board, shall issue rules to ensure that—

17                                 (1) director elections at United States corpora-  
18                          tions are fair and democratic;

19                                 (2) employee representation is meaningful and  
20                          appropriate, taking into consideration—

21                                     (A) diversity of race, ethnicity, gender, sex-  
22                          ual orientation, and gender identity; and

23                                     (B) the affiliation to historically underrep-  
24                          resented groups, including veterans of the  
25                          Armed Forces and individuals with disabilities;

1                         (3) covered employees that serve as a director  
2         of a United States corporation may be dismissed  
3         only for just cause; and

4                         (4) covered employees receive any disclosure re-  
5         quired to be made by the United States corporation  
6         to shareholders under the Securities and Exchange  
7         Act of 1934 (15 U.S.C. 78a et seq.).

8                         (b) UNITED STATES CORPORATION ELECTIONS.—

9                         (1) IN GENERAL.—Not less than  $\frac{2}{5}$  of the di-  
10         rectors of a United States corporation shall be elect-  
11         ed by the covered employees of the United States  
12         corporation using an election process that complies  
13         with the requirements of the rules issued under sub-  
14         section (a).

15                         (2) EFFECTIVE DATE.—Paragraph (1) shall  
16         take effect on the date that is 1 year after the date  
17         on which the Securities and Exchange Commission  
18         issues the rules required under subsection (a).

19                         (c) ENFORCEMENT.—

20                         (1) SECURITIES AND EXCHANGE COMMI-  
21         SSION.—The Securities and Exchange Commission, in  
22         consultation with the National Labor Relations  
23         Board, shall ensure that the elections described in  
24         subsection (b)(1) comply with the requirements of

1       the rules issued by the Commission under subsection  
2       (a).

3                     (2) DEPARTMENT OF LABOR.—

4                     (A) IN GENERAL.—The Secretary of Labor  
5       shall coordinate with the Office to ensure that  
6       the representation of the boards of directors of  
7       United States corporations comply with the re-  
8       quirements under subsection (b).

9                     (B) PENALTIES.—If the representation  
10      with respect to the board of directors of a  
11      United States corporation fails to comply with  
12      the requirements under subsection (b) for a pe-  
13      riod that is not less than 180 consecutive  
14      days—

15                         (i) the Secretary of Labor—  
16                             (I) shall assess a civil money pen-  
17                             alty against the United States cor-  
18                             poration in an amount that is not less  
19                             than \$50,000 and not more than  
20                             \$100,000 for each day that such rep-  
21                             resentation is not in compliance with  
22                             those requirements, including for each  
23                             day during that 180-day period; and  
24                             (II) may collect the penalty de-  
25                             scribed in subclause (I) beginning on

## 5 SEC. 7. EXECUTIVE COMPENSATION.

## 6 (a) DEFINITIONS.—In this section:

7                   (1) COVERED PERSON.—The term “covered  
8 person” means an officer or a director of a United  
9 States corporation.

(A) equity security of a United States corporation; or

(B) security, the value of which is derived from, or that otherwise relates to, an equity security described in subparagraph (A).

## 1           (b) SALE OF SUBJECT SECURITIES.—

2           (1) PROHIBITIONS.—Subject to paragraph (2),  
3       no covered person with respect to a United States  
4       corporation may—5               (A) during the 5-year period that begins  
6       on the date on which the covered person first  
7       owns or beneficially owns a subject security  
8       with respect to that United States corporation  
9       (or an affiliate of that United States corpora-  
10      tion), sell, transfer, pledge, assign, alienate, or  
11      hypothesize, in exchange for value, that subject  
12      security, other than—13                 (i) in connection with the sale of the  
14       United States corporation or the affiliate,  
15       as applicable; or

16                 (ii) through—

17                         (I) a will; or

18                         (II) the laws of descent or dis-  
19       tribution; or20                 (B) during the 3-year period that begins  
21       on the date on which that United States cor-  
22       poration, or an affiliate of that United States  
23       corporation, effects a Rule 10b-18 purchase,  
24       sell any subject security with respect to that  
25       United States corporation.

1                         (2) APPLICATION.—The prohibition under para-  
2                         graph (1) shall not apply with respect to any subject  
3                         security that a covered person owns or beneficially  
4                         owns on the day before the date of enactment of this  
5                         Act.

6                         (c) ENFORCEMENT.—The Securities and Exchange  
7                         Commission may impose on any covered person that vio-  
8                         lates subsection (b) a civil penalty in an amount that is—

9                                 (1) not less than the fair market value of the  
10                         subject securities of which the covered person dis-  
11                         poses in violation of that subsection, as measured on  
12                         the date on which the covered person makes the dis-  
13                         position; and

14                                 (2) not more than the amount that is 3 times  
15                         the fair market value of the subject securities of  
16                         which the covered person disposes in violation of  
17                         that subsection, as measured on the date on which  
18                         the covered person makes the disposition.

19                         (d) RULE OF CONSTRUCTION.—For the purposes of  
20                         this section, a subject security is beneficially owned by a  
21                         covered person if—

22                                 (1) the subject security is held in the name of  
23                         a bank, broker, or nominee for the account of the  
24                         covered person;

- 1                         (2) the subject security is held as a joint ten-  
2                         tant, tenant in common, or tenant by the entirety or  
3                         as community property by the covered person; or  
4                         (3) the covered person has a pecuniary interest,  
5                         by reason of any contract, understanding, or rela-  
6                         tionship, including an immediate family relationship  
7                         or arrangement, in subject securities held in the  
8                         name of another person.

9 **SEC. 8. POLITICAL SPENDING.**

10                         (a) DEFINITIONS.—In this section:

11                         (1) ELECTIONEERING COMMUNICATION.—The  
12                         term “electioneering communication” has the mean-  
13                         ing given the term in section 304(f)(3) of the Fed-  
14                         eral Election Campaign Act of 1971 (52 U.S.C.  
15                         30104(f)(3)), except that the term “any public com-  
16                         munication” shall be substituted for “any broadcast,  
17                         cable, or satellite communication” in the matter pre-  
18                         ceding subclause (I) of subparagraph (A)(i) of such  
19                         section 304(f)(3).

20                         (2) INDEPENDENT EXPENDITURE.—The term  
21                         “independent expenditure” means an expenditure, as  
22                         that term is defined in section 301 of the Federal  
23                         Election Campaign Act of 1971 (52 U.S.C. 30101),  
24                         by a person that expressly advocates the election or  
25                         defeat of a clearly identified candidate, or is the

1       functional equivalent of express advocacy because,  
2       when taken as a whole, the expenditure can be inter-  
3       preted by a reasonable person only as advocating the  
4       election or defeat of a candidate, taking into account  
5       whether the communication involved—

- 6                 (A) mentions a candidacy, a political party,  
7                 or a challenger to a candidate; or  
8                 (B) takes a position on character, qualifi-  
9                 cations, or fitness for office of a candidate.

10                 (3) POLITICAL EXPENDITURE IN SUPPORT OF  
11       OR IN OPPOSITION TO ANY CANDIDATE FOR FED-  
12       ERAL, STATE, OR LOCAL PUBLIC OFFICE.—The term  
13       “political expenditure in support of or in opposition  
14       to any candidate for Federal, State, or local public  
15       office” means an expenditure or series of expendi-  
16       tures totaling more than \$10,000 for any single can-  
17       didate during any single election that—

- 18                 (A)(i) is an independent expenditure; or  
19                 (ii) with respect to a candidate for State or  
20       local public office, would be treated as an inde-  
21       pendent expenditure if the candidate were a  
22       candidate for Federal public office;  
23                 (B)(i) is an electioneering communication;  
24       or

1                         (ii) with respect to a candidate for State or  
2                         local public office, would be treated as an elec-  
3                         tioneering communication if the candidate were  
4                         a candidate for Federal public office; or

5                         (C) are dues or other payments, disburse-  
6                         ments, or transfers to any other person that—

7                             (i) are, or could reasonably be antici-  
8                         pated to be, used or transferred to another  
9                         association or organization for the pur-  
10                         poses described in subparagraph (A) or  
11                         (B); and

12                         (ii) are not investments or payments,  
13                         disbursements, or transfers made in com-  
14                         mercial transactions in the ordinary course  
15                         of any trade or business.

16                 (b) SHAREHOLDER AND DIRECTOR APPROVAL.—A  
17                 United States corporation may not make a political ex-  
18                 penditure in support of or in opposition to any candidate  
19                 for Federal, State, or local public office unless—

20                         (1) not less than 75 percent of the shareholders  
21                         of the corporation and not less than 75 percent of  
22                         the directors of the corporation approve of the ex-  
23                         penditure; and

24                         (2) the approvals required under paragraph (1)  
25                         occur—

1                         (A) before the date on which the expendi-  
2                         ture is made or obligated; and  
3                         (B) after the date on which the share-  
4                         holders and directors described in that para-  
5                         graph have been informed regarding the precise  
6                         nature of the proposed expenditure, including—  
7                                 (i) the amount of the proposed ex-  
8                         penditure; and  
9                                 (ii) the candidate and election to  
10                         which the proposed expenditure relates.

11                         (c) ENFORCEMENT.—

12                         (1) SHAREHOLDER SUIT.—A shareholder of a  
13                         United States corporation may bring a civil action in  
14                         an appropriate district court of the United States to  
15                         enjoin a United States corporation from making a  
16                         political expenditure in support of or in opposition to  
17                         any candidate for Federal, State, or local public of-  
18                         fice that violates the requirements under subsection  
19                         (b).

20                         (2) REVOCATION OF CHARTER.—The Office  
21                         may revoke the charter of a United States corpora-  
22                         tion that knowingly or repeatedly violates the re-  
23                         quirements under subsection (b).

1     **SEC. 9. PETITION FOR REVOCATION OF CHARTER.**

2         (a) FILING OF REVOCATION PETITION.—The attorney general of a State may file a petition with the Office to revoke the charter of a United States corporation that is organized in that State or that does business in that State.

7         (b) TIMING OF RESPONSE AND DECISION.—If a revocation petition is filed under subsection (a) with respect to a United States corporation—

10             (1) not later than 180 days after the date on which the petition is filed, the United States corporation may file a response that explains why revoking the charter of the United States corporation is not justified in consideration of the factors described in subsection (c)(2); and

16             (2) the Director shall issue a ruling with respect to the petition not later than 180 days after the earlier of the date that is—

19                 (A) 180 days after the date on which the petition is filed; or

21                 (B) the date on which the corporation files a response under paragraph (1).

23         (c) GRANTING REVOCATION PETITION.—

24             (1) IN GENERAL.—The Director, with the approval of the Secretary of Commerce, and after consideration of the factors described in paragraph (2),

1 may grant a revocation petition that is filed under  
2 subsection (a).

3 (2) FACTORS.—In determining whether to  
4 grant a revocation petition under paragraph (1) with  
5 respect to a United States corporation, the Director  
6 shall consider whether the United States corpora-  
7 tion—

8 (A) has engaged in repeated, egregious,  
9 and illegal misconduct that has caused signifi-  
10 cant harm to—

11 (i) the customers, employees, share-  
12 holders, or business partners of the United  
13 States corporation; or

14 (ii) the communities in which the  
15 United States corporation operates; and

16 (B) has not undertaken measures to ad-  
17 dress the causes of the misconduct described in  
18 subparagraph (A), such as terminating the em-  
19 ployment of any officer or executive of the  
20 United States corporation who oversaw that  
21 misconduct.

22 (3) REVIEW OF GRANTING OF PETITION.—A  
23 decision by the Director to grant a revocation peti-  
24 tion under this subsection—

1                             (A) shall be subject to judicial review  
2                             under section 706 of title 5, United States  
3                             Code; and

4                             (B) shall not be subject to the procedure  
5                             for congressional disapproval under section 802  
6                             of title 5, United States Code.

7                         (d) REVOCATION OF CHARTER.—If the Director  
8                             grants a revocation petition under subsection (c) with re-  
9                             spect to a United States corporation, the Office shall re-  
10                          voke the charter of that corporation, which shall be effec-  
11                          tive beginning on the date that is 1 year after the date  
12                          on which the Director grants the petition.

13                         (e) RULEMAKING.—The Director may issue any rules  
14                             that are necessary to carry out this section.

15 **SEC. 10. SEVERABILITY.**

16                         If any provision of this Act, or any application of that  
17                             provision to any person or circumstance, is held to be in-  
18                          valid, the remainder of the provisions of this Act and the  
19                          application of any such provision to any other person or  
20                          circumstance shall not be affected.

